

# News

United States  
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## **EMPLOYER COSTS FOR EMPLOYEE COMPENSATION—SEPTEMBER 2002**

In September 2002, employer costs for employee compensation for civilian workers in private industry and State and local government in the United States averaged \$23.44 per hour worked, the U.S. Department of Labor's Bureau of Labor Statistics reported today. Wages and salaries, which averaged \$16.93, accounted for 72.2 percent of these costs, while benefits, which averaged \$6.51, accounted for the remaining 27.8 percent. (See table 1.)

Legally required benefits averaged \$1.85 per hour (7.9 percent of total compensation), representing the largest non-wage employer cost. Employer costs for paid leave benefits averaged \$1.60 (6.8 percent), insurance benefits averaged \$1.67 (7.1 percent), and retirement and savings benefits averaged 80 cents (3.4 percent) per hour worked.

### Private Industry

In September 2002, private industry employer compensation costs averaged \$22.01 per hour worked. Wages and salaries averaged \$16.00 per hour (72.7 percent), while benefits averaged \$6.01 (27.3 percent.) (See table 5.)

Employer costs for paid leave averaged \$1.45 per hour worked (6.6 percent), supplemental pay averaged 60 cents (2.7 percent), insurance benefits averaged \$1.45 (6.6 percent), retirement and savings averaged 63 cents (2.9 percent), and legally required benefits, the largest non-wage component, averaged \$1.84 (8.4 percent) per hour worked.

<p><b>NOTE:</b> The schedule for the Employer Costs for Employee Compensation has changed from an annual March release to a quarterly publication. Releases will be issued for March, June, September, and December. See page 21 for details.</p>
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## Compensation costs in State and local governments

In September 2002, employer costs in State and local governments averaged \$31.89 per hour worked. Wages and salaries, which accounted for 70.2 percent of the total, averaged \$22.40, while benefits, which accounted for the remaining 29.8 percent, averaged \$9.49. (See table 3.)

Among State and local government employees, average hourly compensation costs were higher for white-collar occupations (\$35.43) than for blue-collar (\$25.30) and service occupations (\$24.26). Wages and salaries averaged \$25.55 per hour worked for white-collar occupations, \$16.53 for blue-collar occupations, and \$15.63 for service occupations. Wages and salaries accounted for about the same proportion of total compensation for blue-collar employees (65.3 percent) and service employees (64.4 percent); for white-collar employees, wages and salaries represented a significantly higher proportion of total compensation (72.1 percent). (See table 4.)

Employer costs for insurance benefits ranged from \$2.50 per hour, or 10.3 percent of total compensation, for service occupations, to \$3.12 per hour worked, or 8.8 percent of total compensation, for white-collar occupations for State and local employees. For blue-collar occupations, employer insurance costs averaged \$2.89, or 11.4 percent of compensation. The largest component of insurance costs is for health insurance, averaging \$2.83 for State and local government employees.

In September 2002, the average cost for retirement and savings benefits was \$1.81 per hour worked in State and local governments (5.7 percent of total compensation.) Included in this amount were employer costs for defined benefit plans, which averaged \$1.57 per hour (4.9 percent), and for defined contribution plans, which averaged 23 cents (0.7 percent). Defined benefit plans specify a formula for determining future benefits while defined contribution plans specify employer contributions, but do not guarantee future benefits.

A major component of benefit costs is paid leave, including vacations, holidays, sick leave, and other leave such as personal leave, military leave, and funeral leave. The average cost for paid leave was \$2.49 per hour worked for State and local employees. Among occupational groups, the average cost for white-collar workers was \$2.58 (7.3 percent of total compensation); blue-collar workers averaged \$2.35 (9.3 percent), and service workers averaged \$2.26 (9.3 percent).

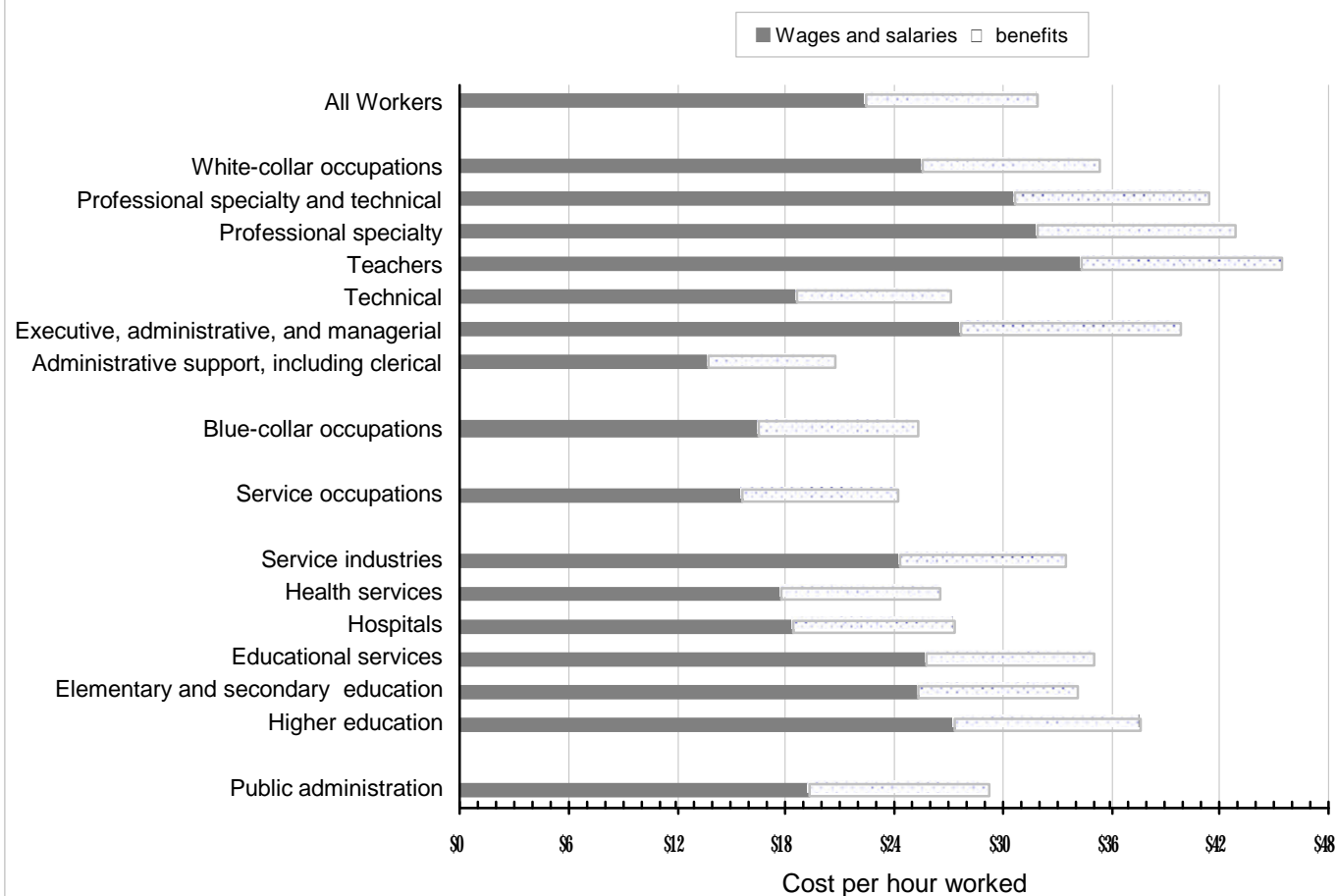
Costs for legally required benefits, including Social Security, unemployment insurance (both State and Federal), and workers' compensation, averaged \$1.89 per hour worked for State and local employees. The average cost for white-collar workers was \$2.01, blue-collar workers averaged \$1.76, and service workers averaged \$1.57 per hour worked.

# Employer Costs for Employee Compensation, September 2002

**Chart A. Relative importance of employer costs for employee compensation, September 2002**

Compensation component	Civilian workers	State and local government	Private industry
Wages and salaries	72.2%	70.2%	72.7%
Benefits	27.8	29.8	27.3
Paid leave	6.8	7.8	6.6
Supplemental pay	2.4	.9	2.7
Insurance	7.1	9.3	6.6
Health benefits	6.6	8.9	6.1
Retirement & savings	3.4	5.7	2.9
Defined benefit	1.8	4.9	1.0
Defined contribution	1.6	.7	1.9
Legally required	7.9	5.9	8.4
Other benefits	.1	.2	.1

**Chart B. Employer costs for employee compensation, State and local government, September 2002**



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